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DIRECTORATE OF  
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Thailand: A ship purchase from Britain may strain  
Thai-US relations.

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THAILAND: A SERIOUS STRAIN IN THAI-US RELATIONS MAY BE SHAPING UP OVER BANGKOK'S PLAN TO PURCHASE A GUIDED-MISSILE DESTROYER ESCORT FROM BRITAIN.

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THE PROBLEM, [REDACTED]

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[REDACTED] REVOLVES AROUND THE CONTE-LONG AMENDMENT TO THE US FOREIGN AID BILL WHICH REQUIRES THAT THE COST OF "SOPHISTICATED" EQUIPMENT PURCHASED BY A RECIPIENT COUNTRY MUST BE DEDUCTED FROM THE US AID COMMITMENT. ALTHOUGH NOT SPELLED OUT, A DESTROYER ESCORT PRESUMABLY WOULD FALL IN THIS CATEGORY. FROM HIS DISCUSSIONS WITH THAI OFFICIALS, AMBASSADOR UNGER HAS CONCLUDED THAT A MOVE BY WASHINGTON TO REDUCE US AID BY THE \$20 MILLION COST OF THE SHIP WOULD BE INTERPRETED BY THE THAIS AS INTOLERABLE INTERFERENCE IN THEIR AFFAIRS; IT COULD SERIOUSLY AFFECT THAI-US COOPERATION IN VITAL FIELDS.

THE DESTROYER ISSUE COMES AT A TIME WHEN RELATIONS BETWEEN THE TWO COUNTRIES ARE ALREADY UNDER PRESSURE OVER THE IMPASSE ON A STATUS-OF-FORCES AGREEMENT, THE GROWING SOCIAL PROBLEMS RESULTING FROM THE SUBSTANTIAL US MILITARY PRESENCE IN THAILAND, AND THAI CONCERN OVER FUTURE US INTENTIONS IN ASIA. THAI LEADERS HAVE LONG BEEN SENSITIVE TO WHAT THEY BELIEVE TO BE WASHINGTON'S INADEQUATE APPRECIATION OF THAI CONTRIBUTIONS IN SUPPORTING US POLICY IN ASIA AND WOULD CLEARLY RESENT APPLICATION OF THE AMENDMENT WHEN COUNTRIES SUCH AS GREECE AND IRAN ARE EXEMPT.

THE THAI MAY BE WILLING TO ACCEPT A FACE-SAVING SOLUTION IN ORDER TO AVOID THE LOSS OF CLOSE TO ONE THIRD OF US MILITARY AID. NO MATTER HOW THE ISSUE IS RESOLVED, HOWEVER, PUBLICITY APPEARS INEVITABLE AND THE MILITARY LEADERSHIP WILL ALMOST CERTAINLY COME UNDER HEAVY DOMESTIC CRITICISM FOR ITS HANDLING OF RELATIONS WITH THE US. [REDACTED]

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